

**ANNUAL ASSOCIATION MEETING
VILLAGES OF KAPOLEI ASSOCIATION**

Wednesday, August 1, 2001
Villages of Kapolei Recreation Center
Kapolei, Hawaii

ROLL CALL

President Carol Smith stated that as specified by Article I, Section 1.09(a) of the By-Laws of the Villages of Kapolei Association we have established a quorum.

She stated that the total number of members present in person or by proxy will be announced once everyone has checked in and those numbers become available.

CALL TO ORDER

President Smith called the Annual Meeting of the Villages of Kapolei Association to order at 7:00 p.m.

PROOF OF NOTICE OF MEETING

A notice of the Annual Meeting was sent to all owners of record on July 2, 2001, a copy of which will become a part of the Annual Meeting file.

INTRODUCTIONS

President Smith introduced the Board members present: Vice President Greg Peterson, Secretary Kevin Lum, Treasurer Steve Loring, and Directors Carolyn Ancheta, Gary Callahan, Marlene Lemke, Brian Osgood, and John Riggins.

She also introduced the following office staff: Warren Wegesend, General Manager; Claire Loo-Hoy, Office Manager; Debra Teixeira, Collections Clerk; Trinh Bayron, Accounts Receivable Clerk; Ramon Aldana, Bookkeeper; Kim Kaoihana, Covenants Specialist; Emilio Fajardo, Maintenance Director; and Chris Lewis, Recreation Director.

PARLIAMENTARY AUTHORITY

President Smith advised that if there were no objections, the most recent edition of *Robert's Rules of Order, Newly Revised*, would be the governing authority for this meeting. There being no objections, the meeting was governed accordingly.

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CONDUCT OF BUSINESS

President Smith advised that in order to accomplish our business fairly, it is necessary to follow customary rules. The rules were announced with an objection to the length of time allowed each person on debates. A vote by show of hands was called to eliminate the time limit. The time limit was eliminated by majority rule. The rules were adopted as amended with no other objections.

APPROVAL OF MINUTES OF PRECEDING MEETINGS

President Smith announced that the minutes of the Annual Meeting held on July 12, 2000 was sent to all homeowners of record through the Association's newspaper, and were made available at check-in. They have been reviewed by the Board of Directors and were also made available at the Association office. She called for corrections to the minutes. Hearing no corrections or objections, she declared the minutes approved.

REPORTS

- A. PRESIDENT'S REPORT** -- President Smith gave an oral report and advised that her annual report would be printed in the next newspaper.
- B. AUDITOR'S REPORT** -- President Smith reported that the 2000 audit has been completed and printed in the Association's newspaper and has been made available at check-in. President Smith asked if there were any objection to the report. Hearing none, she declared the report approved.
- C. REPORT OF THE DECLARANT** -- Sharon Miyashiro and Tom Otake of HCDCH reported on the maintenance of various common areas and on the plans and schedules of current and future developments in the Villages of Kapolei.

ELECTION OF DIRECTORS

President Smith advised that Article II, Section 2.01 of the By-Laws provides that each Director shall be an Association Member. It also provides that a partner of a general partnership, a partner in a limited liability partnership, a general partner in a limited partnership, an officer or director of a corporation, a member of a member-managed limited liability company, and a manager of a manger-managed limited liability company that owns a lot shall be deemed to be an Association member for this purpose. It also provides that any officer, director, or employee of Declarant (HCDCH), so long as

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Declarant continues to be a class B Association member, shall be eligible to serve on the Board. There shall not be more than one representative on the Board of Directors from any one Lot.

Article II, Section 2.03 of the By-Laws provides that the Board of Directors shall determine each year whether the election of directors shall be by a vote at the annual meeting or by mail ballot and shall give notice to the Association Members of its determination no later than 120 days prior to the date of the annual meeting.

The Board of Directors determined the election to be held by Mail Ballot and gave notice to all homeowners through its April 2001 issue of the Association Newsletter.

President Smith announced that nominations were accepted from the general membership until June 15, 2001, at which time nominations were closed. The nominees were: Gary Callahan, Jeanette Kaipo, Matt Masterson, Brian Osgood, and John Riggins. Their names appeared on the ballots listed in alphabetical order.

In accordance with the procedures adopted by the Board of Directors, the ballots were counted on July 31, 2001 by volunteers of the Hawaii State Teachers Association. Volunteers assembled in the Conference Room of the Association, where the Ballot Box was opened and the ballots removed from their envelopes. Three two-person teams counted the ballots. Counted ballots were bundled with the confirmed tally sheet and recorded on the Election Results Form. The bundled ballots, envelopes and invalid ballots were then placed back in the Ballot Box and locked.

ANNOUNCEMENT OF ELECTION RESULTS

Secretary Kevin Lum read the following results of the election:

| <u>CANDIDATE</u> | <u># OF VOTES</u> |
|-------------------------|--------------------------|
| Gary Callahan | 392 |
| Jeanette Kaipo | 229 |
| Matt Masterson | 171 |
| Brian Osgood | 352 |
| John Riggins | 435 |

President Smith declared John Riggins, Gary Callahan, and Brian Osgood elected for 3

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years.

President Smith congratulated the newly elected Directors and announced that there would be a brief organizational meeting of the Board of Directors immediately following this meeting.

NEW BUSINESS

- A. RESOLUTION OF 2001 ASSESSMENTS** -- President Smith explained the resolution and the need for its adoption. She asked if there were no objections, the resolution would be adopted. Hearing none, she announced that the following resolution is adopted:

**RESOLUTION OF THE VILLAGES OF KAPOLEI ASSOCIATION FOR
REVENUE RULING 70-604 ELECTION -- EXCESS INCOME
APPLIED TO THE FOLLOWING YEAR'S ASSESSMENTS**

"**WHERE AS**, the Villages of Kapolei Association is a Hawaii corporation duly organized and existing under the laws of the State of Hawaii; and

WHERE AS, the members of the Villages of Kapolei Association desire that the corporation shall act in full accordance with the rulings and regulations of the Internal Revenue Service;

NOW, THEREFORE, the members hereby adopt the following resolution by and on behalf of the Villages of Kapolei Association:

RESOLVED, that any excess membership income over membership expenses for the year ended December 31, 2001, shall be applied against the subsequent tax year member assessments as provided by IRS Revenue Ruling 70-604.

- B. APPOINTMENT OF A NOMINATING COMMITTEE** -- Director John Riggins volunteered to sit on this committee.
- C. CERTIFICATES OF APPRECIATION** -- President Smith presented

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certificates of appreciation to Board members who completed a term of office this past year and to those community members who volunteered their time to serve on various committees.

D. ANNOUNCEMENT OF TOTAL QUORUM COUNT

President Smith announced that there are 545 Class A members and 294 of the Class B members, represented in person or by proxy at this meeting. This represents 61% of the Class B members. These numbers satisfy the quorum requirements of Article I, Section 1.09(a) of our By-Laws.

E. OTHER BUSINESS

1. Member John Atchison (Lot 1-240) motioned, seconded by Member Paula Loring (Lot 1-121), that the Board of Directors be directed to gain Right of Entry and maintain the main entrances and main thoroughfares (collector streets) in each Village. This will include:
 - Connecting a water source.
 - Installing and/or maintaining a sprinkler system.
 - Installing and /or maintaining planting.

Should a homeowner or the City and County refuse Right of Entry, the Association may return to current enforcement policies to maintain the areas.

The Board of Directors is directed to accomplish this by December 31, 2002 and to report the progress and expected completion date at the next Annual Meeting.

A vote was taken by show of hands. Motion carried on a vote of 10 yes to 6 no.

2. Member John Atchison (Lot 1-240) motioned, seconded by Member Paula Loring (Lot 1-121), that the Board of Directors be directed to gain right of entry and maintain areas in Village 1 greater than approximately 200 square feet. These areas are common area in all other villages and have created an undo burden on a few homeowners. This will include:
 - Connecting to a homeowners water source adjacent to the property.

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Installing and/or maintaining a sprinkler system.
Installing and/or maintaining planting.

Should a homeowner or the City and County refuse Right of Entry or to allow the Association to connect to their watering system, and/or fail to water the area, the Association may return to current enforcement policies to maintain the areas.

The Board of Directors is directed to accomplish this by December 31, 2002 and to report the progress and expected completion date at the next Annual Meeting.

A vote was taken by show of hands. Motion failed on a vote of 7 yes to 10 no.

3. Member John Atchison (Lot 1-240) motioned, seconded by Member James Santos (Lot 1-501), that the Board of Directors be directed to request receipt of one of two areas, either the Village Center lot or the Northwest Corner lot, of the Villages of Kapolei, and to pursue a breach of contract against HCDCH, or whatever action is necessary, for failing to provide what they (HCDCH) promised.

The Board of Directors is directed to accomplish this by December 31, 2002 and to report the progress and expected completion date at the next Annual Meeting.

A vote was taken by show of hands. Motion carried on a vote of 8 yes to 7 no.

HOMEOWNER COMMENTS

President Smith announce that the Board has agreed to set time aside after the adjournment of this meeting to hear from owners regarding Association matters that do not fall under New Business. Anyone desiring to address the Board was encouraged to stay.

ADJOURNMENT

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President Smith asked if there was any further business to be brought before the meeting. Hearing none, President Smith declared the meeting adjourned. The meeting adjourned at 9:35 p.m.

Respectfully Submitted,

Claire Loo-Hoy
Office Manager

Approved As To Form: August 22, 2001

Approved: July 24, 2002